



## 2015 – 2016 Draft Annual Action Plan

# PUBLIC COMMENT REQUEST

The City of Flagstaff is requesting public comment on the 2015/2016 Annual Action Plan. The public comment period will take place from March 1, 2015 to April 1, 2015. Please provide comments electronically to Leah Bloom, Housing and Grants Administrator at [LBloom@flagstaffaz.gov](mailto:LBloom@flagstaffaz.gov) or in person at City of Flagstaff, Housing Section 211 West Aspen Flagstaff, AZ 86001. (928)213-2752.

### Executive Summary

The Annual Action Plan (Action Plan) is submitted to the U.S. Department of Housing and Urban Development (HUD) and serves as the formal application for the use of entitlement funds that are received by the City of Flagstaff. This draft Annual Action Plan describes the City's funding process, describes how it complies with HUD requirements, and provides a brief description of potential applications for CDBG funding from the City of Flagstaff for Fiscal Year 2015-2016.

This Draft Annual Action Plan is available for public comment from March 1, 2015 through April 1, 2015. Written comments received during the public comment period and the City's response to each comment will be incorporated into this plan following the public comment period and prior to HUD submission.

The Action Plan defines the one-year activities in relationship to the five-year goals and objectives of the Consolidated Plan covering Fiscal Years 2011-2015, submitted to HUD on May 15, 2011. The City established six five-year goals based on the analysis of market and community conditions, and input from Flagstaff residents and service providers:

1. Increase the availability and affordability of quality housing for low and moderate income *owner* households.
2. Increase the availability and affordability of quality rental housing for low and moderate income *renter* households.
3. Invest in housing, public and supportive services for vulnerable populations.
4. Enhance Flagstaff neighborhoods.
5. Provide economic opportunities.
6. Strengthen the coordination and delivery of resources.

The Community Development Block Grant (CDBG) Program is the main source of funding received by the City of Flagstaff to address housing and community development needs. The City received its 2015 final allocation from HUD in the amount of \$579,591. In addition to the 2015 CDBG allocation, the City will reallocate unused funds from previous years, including program income.

The City anticipates receiving ten (10) applications for CDBG funding. Applications will be rated and ranked on March 23, 2015 and review committee recommendations will be presented to the City Council at the April 14, 2015 and April 21, 2015 public hearings and City Council meetings.

### **The Funding Process**

The City of Flagstaff makes funding allocations based on community priorities and input. Priorities are determined by City Council and through input provided by the public, both in the planning and application process. More information about how this input was obtained is found in the Consultation and Citizen Participation discussion beginning on page 14.

Investments are allocated based on City Council's determination of the highest use of the funds. Proposals for eligible activities are solicited through a formal request for proposals (RFP) process open to qualified external organizations and City sponsored projects. Submitted proposals are evaluated and ranked, and a summary of the evaluation is presented to City Council for their review and consideration in making final funding decisions. A review committee consisting of City staff and external members determines a score for each proposal and makes recommendations to City Council based on the following priorities:

1. The need for funds and the demand for the project is demonstrated;
2. Identified as high City Council priority in the 5-year Consolidated Plan and eligible for CDBG funding;
3. Geographic areas designated as target neighborhoods due to a disproportionate concentration of low income and minority populations;

4. Projects that meet the previous criteria and address the Primary, National and Consolidated Plan Objectives of the CDBG program; and
5. Projects that demonstrate the capacity to provide timely, compliant, and sustainable benefit to the community.

Activities that will serve a special population, including homeless populations, and projects located in target neighborhoods receive points in the ranking process. The city also gives points to activities that evidence community collaborations including leverage, staffing partnerships, other formal agreements, and letters of support.

### **Addressing Underserved Needs**

The City makes every effort to address underserved needs. Prioritizing activities and therefore meeting underserved needs is hindered by inadequate funding, lack of service provider agencies, lack of capacity in existing agencies, and absence of consensus regarding which needs are most underserved. To address these challenges, the City continues to support the use of CDBG funds for the highest priority activities, works with existing agencies to build their capacity to implement CDBG-funded activities, undertakes community education efforts aimed at reducing NIMBYism, and participates on numerous planning committees to identify needs.

### **Lead Agency**

The City's Housing Section is the HUD "lead agency" for the Consolidated Plan and Annual Action Plan. The Housing Section is part of the City's Community Development Division. In addition to Housing, the Community Development Division includes the Engineering, Planning and Development services, and Housing Authority sections.

The Housing Section works to address the shortage of affordable housing with a number of programs and tools. In addition to administration of the CDBG program, the Housing Section performs three primary functions.

1. Research and Planning. Key to this focus area is the identification and maintenance of data pertinent to housing in Flagstaff and nationally, the creation and implementation of plans, the location and review of best practices and additional tools being used in other communities, and project specific planning.
2. Policy. The development and subsequent implementation of policy initiatives is critical to the success of the City of Flagstaff's overall housing and economic development goals. In general, policy development and implementation is designed to enhance City program effectiveness, identify gaps or underserved groups, and enhance the private sector's ability to provide market based solutions.

3. Housing Programs and Development. This focus area encompasses programmatic areas, as well as the implementation of previous planning efforts, resulting in the creation of housing opportunities.

The City of Flagstaff Public Housing Authority Section (FHA) has merged with the City of Flagstaff Housing Section to achieve additional benefit for Flagstaff residents in need of public housing.

The Flagstaff Housing Authority manages 265 public housing units, 333 Housing Choice Vouchers, and 25 Veterans Affairs Supportive Housing vouchers.

- *Housing Choice Voucher Program.* Under this program, a family's rent is subsidized based on their monthly-adjusted income level. Participants in this program pay 30 percent of their monthly-adjusted income toward rent in participating, private market rental units, while HUD, through the FHA, pays the balance of the rent amount.
- *Public Housing Program.* Under this program, a family occupies a unit owned and operated by the FHA for the benefit of HUD. A family's rent is subsidized based on their monthly adjusted income level. Participants in this program pay 30 percent of their monthly income toward rent.
- *Veterans Affairs Supportive Housing (VASH) Program.* Under this program, homeless Veterans receive a subsidized rent based on their monthly-adjusted income level, paying not more than 30% of their income toward rent in participating, private market rental units. In addition to monthly housing subsidy, participating Veterans also receive case management and supportive services.

### **Consultation and Public Participation**

The consultation and public participation process for the development of this year's Annual Action Plan consisted of two public forums and two public meetings, a request for proposal process, and an invitation for written comment. Forums and meetings were conducted to solicit information on housing and community development needs and to elicit public comment on planned activities. The draft Annual Action Plan was made available for public comment from March 1, 2015 to April 1, 2015.

The first forum was held on February 3, 2015 at the beginning of the Annual Action Plan process to introduce the public to the planning stages and to solicit public participation for the CDBG Request for Proposal process. The second public forum will be held on March 19, 2015 to discuss the proposals that were received. Two public meeting were held, the first on April 14, 2015 at a City Council Work Session and the second on April 21, 2015 at a City Council Action Meeting. In addition to submitting written comments during the public comment period, the public was invited to comment at the two public meetings.

Advance notice of forums was published at least two weeks prior to each forum or meeting in the Daily Sun, a newspaper of general circulation. Copies of these notices are included at the end of this document. Notices provided information about the topic of the forum or meeting, location, and how comments could be submitted if the person(s) was unable to attend. The forums and meetings were held in handicapped accessible locations. Accommodations for those with hearing and special language needs were made on an as needed basis when at least twenty-four hours notice was provided to the City.

In developing the 2015-2016 Annual Action Plan, the City consulted with agencies providing services related to housing, social services, elderly persons, disabled persons, persons with HIV/AIDS, and individuals and families impacted by homelessness. These agencies also have permanent representation on various City planning bodies. Agencies participating in Annual Action Plan public forums were:

- Arizona Children's Association is a one of the oldest and largest not-for-profit child welfare and behavioral health agencies in Arizona. Arizona Children's Association believes that every child deserves a permanent home that is safe and nurturing and we strive toward that goal. All programs are family focused, strength based, culturally sensitive and outcome driven.
- Housing Solutions of Northern Arizona is a nonprofit housing organization founded through the grassroots efforts of local citizens concerned about the lack of affordable housing in the Flagstaff community. Since its inception, Housing Solutions of Northern Arizona has expanded from an advocacy organization to one that focuses on programs designed to help local residents identify and maintain safe, decent and affordable housing.
- The Guidance Center is a nonprofit community mental health center that offers a full continuum of mental health and substance abuse programs and services to the greater Flagstaff, Williams and surrounding communities.
- Northland Family Help Center provides safe shelter, crisis intervention and advocacy services for women and youth, and offers counseling and education to restore healthy families and relationships.
- Catholic Charities provides a broad range of social services including pregnancy and adoption support, transitional and permanent housing and shelter services, poverty reduction, immigrant and refugee services, and veteran services.
- Flagstaff Shelter Services offers homeless individuals shelter and supportive services and is focused on chronically homeless individuals, many of whom have serious psychiatric or substance abuse issues.
- Habitat for Humanity builds and repairs houses using volunteer labor and donations. Participating families purchase houses through no-profit, no-interest mortgage loans or innovative financing methods.

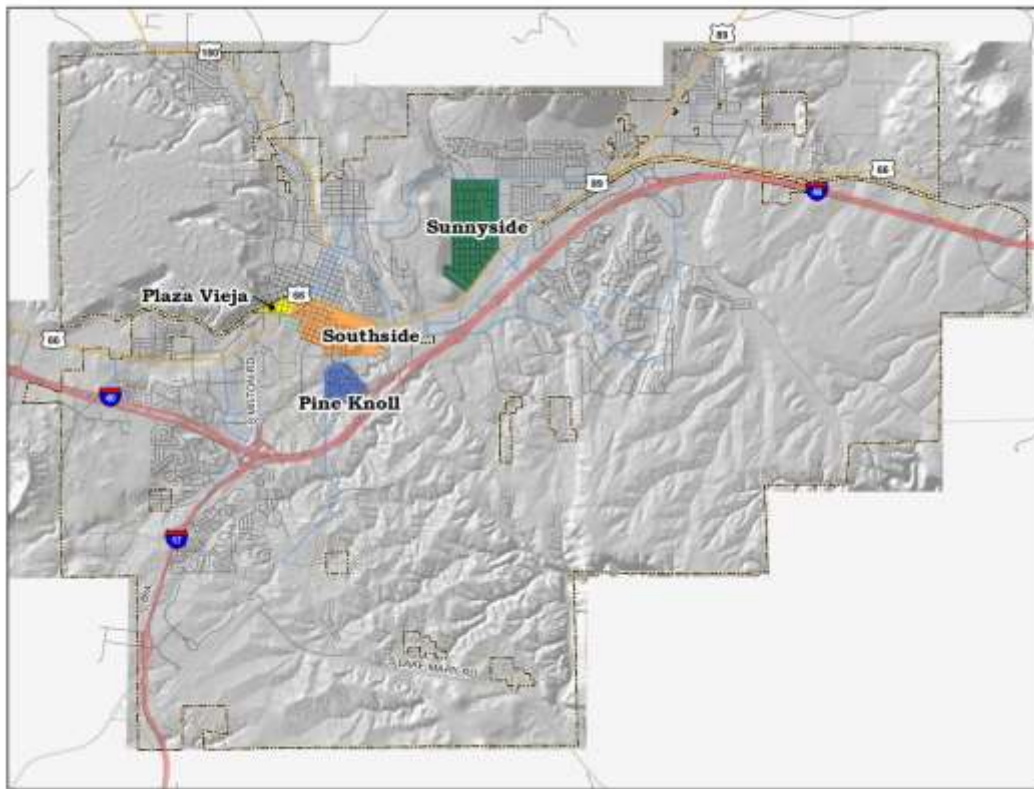
- Northern Arizona Veteran's Resource Center offers employment counseling and training services, and homeless prevention and re-housing services.
- Coconino County Community Services Department (CCCSD) is the largest provider of emergency services, specifically eviction/foreclosure prevention and move in assistance; it is the number one referral agency in both the county and the City of Flagstaff. CCCSD is the recognized Community Action Agency for the county and covers a service area of 18,000 square miles. CCCSD has successfully administered an eviction and foreclosure prevention program for the last thirty five (35) years.

**Target Areas and Areas of Minority Concentration**

Target areas are neighborhoods where at least 51% of households are low and moderate income. There are four target neighborhoods in the City of Flagstaff:

- Sunnyside - Census Tract 3, Block Group 2, 3, & 4
- Southside - Census Tract 8, Block Group 1 & 2
- Pine Knoll - Census Tract 8, Block Group 3
- La Plaza Vieja - Census Tract 11, Block Group 1

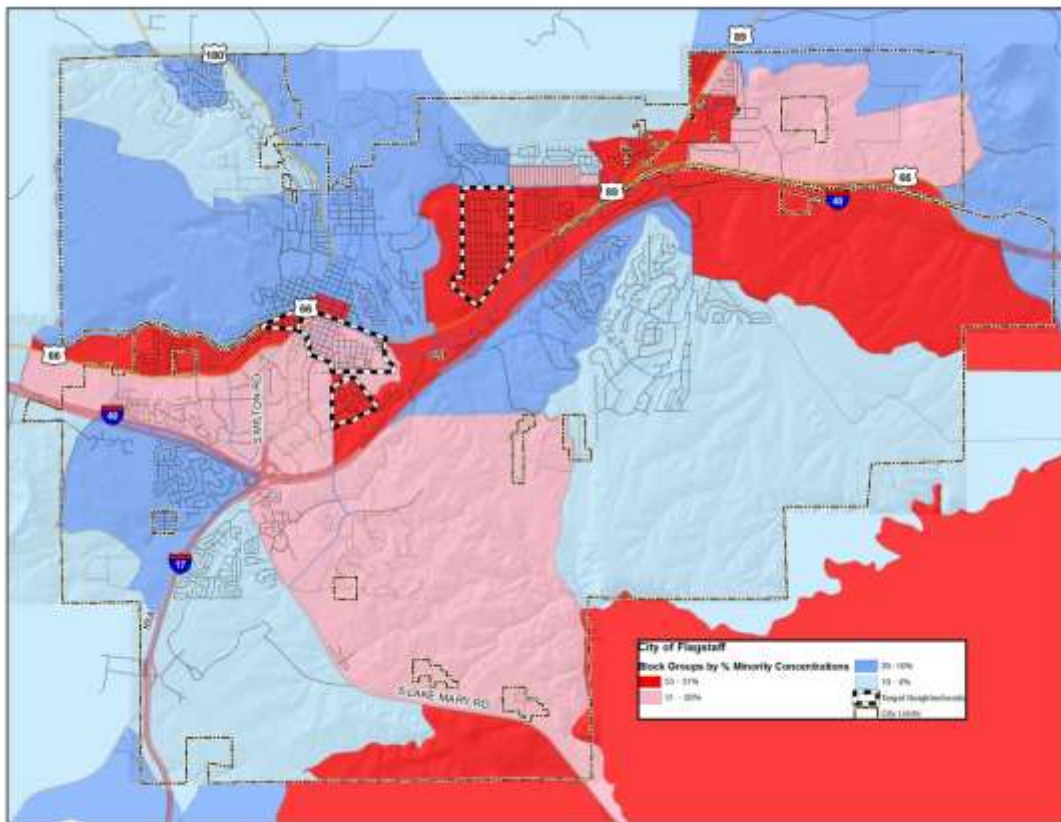
The target neighborhoods include Flagstaff's historic settlements, and are characterized by the widespread need for housing rehabilitation; dilapidated structures and under-utilized sites; as well as water and sewer line replacement. Neighborhood Infill programs, revitalization efforts, and planning processes are now being implemented in all target neighborhoods, as funding allows. By targeting resources to these neighborhoods, the City realizes a visual impact and provides a comprehensive approach to neighborhood revitalization and stabilization. The Housing Section also partners with other city departments and outside agencies to provide residents and neighborhoods with assistance to help stabilize the community and assist families.



For the purpose of the Consolidated Plan, areas of minority concentration are those in which the proportion of minorities in a Census Tract is 10% or more than the proportion of minorities as a whole based on the 2000 Census. There are three Census Tracts in Flagstaff that have a disproportionate concentration of minorities. Two of the Areas of Minority Concentration (Census Tracts 3 and 8) include target neighborhoods.

MINORITY CENSUS TRACTS		
Census Tract	% Minority	% Hispanic
3	39.4%	35.4%
5	33.1%	23.2%
8	28.9%	26.1%
City of Flagstaff	21.4%	16.1%
Source: Census 2000 SF3-Summary data		





## HOUSING

### Consolidated Plan Housing Goals and Objectives

The City of Flagstaff 5-year Consolidated Plan established two five year goals focused on housing availability, affordability and quality for low- and moderate-income owners and renters.

1. Increase the availability and affordability of quality housing for low and moderate income *OWNER* households.
2. Increase the availability and affordability of quality rental housing for low and moderate income *RENTER* households.

The Consolidated Plan's Goal and Objectives will be updated in the final Annual Action Plan once City Council's CDBG funding decisions are determined.



**Public Housing**

The Flagstaff Public Housing Authority (FHA) addresses the needs of extremely low income and low to moderate-income families in Flagstaff. The Public Housing program and Section 8 program have been designated by HUD as “High Performing”. During the coming year the FHA will:

- Continue to use Capital Fund Program monies to renovate public housing, including upgrading units, replacing aging systems, and improving energy efficiency;
- Continue designation as a High Performer;
- Continue to provide a safe, drug free and secure public housing environment through the Flagstaff Police Department full-time police officer, aggressive screening of prospective residents, the provision of resident orientation, and support of resident patrols;
- Conduct resident satisfaction surveys to improve management and maintenance functions;
- Expand the range of quality housing choices through participation with the Community Land Trust, work with local non-profits to plan a Section 202 and Section 811 housing developments, and additional housing for the persons with serious mental illness who are homeless;
- Support resident meetings, BBQs, and newsletters that help residents with education, employment, job training and youth services; and
- Apply for Housing Choice Vouchers and other sources of tenant-based rental assistance as they become available.

**Barriers to Affordable Housing**

Affordable housing barriers are typically described as regulatory or financial systems that make it harder for developers to create affordable housing. According to HUD, a regulatory barrier is "a public regulatory requirement, payment, or process that significantly impedes the development or availability of affordable housing without providing a commensurate health and/or safety benefit." For the 5-year Consolidated Plan, the City completed HUD's regulatory barriers checklist and identified two possible regulatory barriers. Both of these barriers were addressed in prior program years.

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**HOMELESS and NON-HOMELESS SPECIAL POPULATIONS**

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**Homeless Individuals and Families**

The needs of homeless individuals and families in Flagstaff are addressed primarily through the Coconino County Continuum of Care, which is part of the larger State of Arizona Rural or Balance of State Continuum of Care. The Continuum of Care model is HUD's primary strategy toward ending homelessness. The State of Arizona Rural Continuum of Care provides a basis for how the State utilizes its resources to address homelessness in rural areas. The Coconino County Continuum of Care Regional Committee on Homelessness is a planning entity made up of local stakeholders convened for the purpose of ensuring that homeless planning is coordinated among agencies. City staff participates with the Continuum of Care.

In Flagstaff, the Rural Continuum of Care compiles homelessness data. The timing of the data collection for Flagstaff is significant, because the winter count does not reflect the true homeless population – as it becomes colder in Flagstaff, many homeless individuals leave for the Valley (Phoenix metropolitan area) or other warmer locations.

**Non-homeless Special Needs**

The City of Flagstaff ensures that Federal, State and local public and private sector resources address special needs populations through its ongoing planning and public comment processes, and provides priority points to activities that will address the needs of non-homeless special needs populations. The City actively participates in numerous planning efforts alongside other government agencies, nonprofit organizations, businesses and citizens that share, in some respects, the City's mission to address housing and community development needs for low to moderate income and special needs populations.

The City of Flagstaff administers the CDBG program to promote collaboration between service providers, to minimize duplication of services, and to maximize use of funds to provide housing and services for the following populations: elderly, physically and/or developmentally disabled, homeless individuals and families, persons with substance abuse problems, seriously mentally ill persons, and persons with co-occurring disorders.

The City's 5-year Consolidated Plan established the goal of investing in housing, public and supportive services for vulnerable populations. Objectives associated with this goal are to:

1. Add transitional housing and permanent supportive housing units to the stock. HUD Outcome DH1.
2. Retrofit existing housing units to improve accessibility. HUD Outcome DH1.

3. Invest the maximum possible resources (15% of CDBG funding) in human services activities for poverty-level and special populations. HUD Outcome SL3.
4. Develop, expand and rehabilitate public facilities. HUD Outcome SL1.

### **Supportive Housing Program Funds**

Supportive Housing Program Funds will be updated in the final Annual Action Plan.

## **COMMUNITY DEVELOPMENT and ANTI-POVERTY STRATEGY**

The City's 5-year Consolidated Plan established two goals to address community development needs and reduce the number of poverty-level households in Flagstaff. These activities provide public services, such as food and clothing, transportation, and healthcare, aim to improve the physical environment through neighborhood enhancement efforts, and provide economic opportunities to reduce the number of poverty-level households:

1. Enhance Flagstaff neighborhoods.
2. Provide Economic Opportunities

During the coming year, the City of Flagstaff Economic Development Program will continue its efforts to retain and strengthen existing local business while helping to grow and attract innovative companies for sustainable economic health. They will do this by promoting sustainable retail, commercial and industrial development that enhances high wage/low impact employment, providing support, analysis and programs for businesses, developing and cultivating infrastructure that preserves quality of life and allows access to intellectual resources, and developing connections between business and the people and organizations that support them.

## **Managing the Process**

### **Consultation and Citizen Participation**

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### **Institutional Structure and Coordination**

The City's 5-year Consolidated Plan identifies efforts that the City will take to strengthen the coordination and delivery of resources. During the coming year, the City will continue these efforts:

1. Establish a structure to ensure on-going identification of and application for federal, state and private resources.
2. Develop funding criteria to produce measurable results.
3. Actively participate in the Continuum of Care.
4. Work with community providers to continue to identify gaps in services and to plan and implement methods and activities to address those gaps.

### **Monitoring**

To ensure projects are compliant with CDBG regulations and expenditure timeliness, sub recipients will be monitored for progress through monthly/quarterly reports, comparison of payment requests with monthly/quarterly reports for consistency, and ongoing communication. Each new sub recipient will receive an on-site monitoring to identify areas for improvement, assist in overcoming challenges impeding accomplishments, and ensure compliance with regulations and policies. The City will maintain a monitoring schedule where

agency names and monitoring dates are outlined for on-site monitoring to ensure contract timeliness and efficiency. Agencies who have received a positive monitoring in the past for the same contract currently under observation may be offered the option of an in-depth desk monitoring performed by the Housing and Grants Administrator in lieu of onsite monitoring.

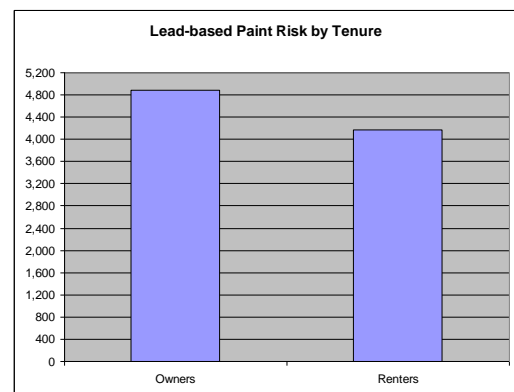
To ensure timely project completion and that the City meets the annual HUD 1.5 Timeliness Test, the Request for Proposals provided a scoring value for efficient and expedient use of CDBG funds. Sub recipients facing timeliness challenges will be regularly communicated with in order to provide support in their compliant use of the funds. Payment requests will be requested if not received regularly, and the monthly/quarterly reports will be examined to quantify progress.

Procedures for CDBG monitoring are described in detail in the City of Flagstaff - Sub Recipient Handbook published by the Housing Section. Chapter 6 of the Handbook describes the monitoring process, which consists of both desk (in-office) and on-site monitoring; it also contains copies of all desk and onsite monitoring forms used by program staff. The Handbook will be distributed to all new sub recipients at an orientation that will take place at the beginning of the contract period.

The City will also monitor internally-implemented activities. Specific goals are developed for each internally-implemented activity and performance will be tracked through accounting, time tracking, grant management and legal review processes. Accomplishments will be regularly reported through the Integrated Disbursement and Information System (IDIS), in the Consolidated Annual Performance Evaluation Report and in regular City Council updates on Housing Section accomplishments.

### **Lead-based Paint**

The Arizona Department of Health Services maintains the lead exposure registry for Arizona. The program develops lead poisoning prevention programs, investigates cases with elevated blood lead levels, and conducts educational outreach activities. The Arizona Department of Health Services Childhood Lead Poisoning Prevention Program relies on blood lead data to determine high-risk areas, implement prevention strategies and provide interventions for lead poisoned children.



The City will continue to distribute lead hazard information to participants in homeownership and rental programs, and will take the following actions to reduce lead hazards:

1. Rehabilitation Projects. The City follows strict HUD guidelines for testing and abatement of lead-based paint and other hazardous substances, and requires compliance from its contractors and subcontractors. Any structure built before 1978 that is proposed for rehabilitation under federal programs, is tested for lead-based paint. Notices and requirements regarding testing and removal of lead-based paint are provided to program participants, contractors and project sponsors. The City has licensed contractors who are available to perform limited abatement and/or removal procedures if lead-based paint is present. Full abatement services are contracted with licensed contractors located outside of the City.
2. Section 8 Housing Choice Vouchers. The FHA inspects prospective dwellings constructed prior to 1978 that will have a resident child under the age of six for compliance with EPA and HUD Lead Based Paint rules and regulations. The inspection includes visual inspections for chipped, peeling, chalking and deteriorated interior and exterior paint. Clearance testing may be performed after remediation by the property owner, to assure a lead-safe environment.